

PINE TOWNSHIP
MONTCALM COUNTY, MICHIGAN
AUDIT REPORT
JUNE 30, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name PINE TOWNSHIP	County MONTCALM
Audit Date 6-30-2004	Opinion Date 9-8-2004	Date Accountant Report Submitted to State: 10-22-2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised NOV - 9 2004
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) TERRY KIRKPATRICK, CPA, P.C.			
Street Address 211 MAPLE STREET	City BIG RAPIDS	State MI	ZIP 49307
Accountant Signature <i>Terry D Kirkpatrick, CPA</i>		Date 10-14-04	

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CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

To the Township Board
Pine Township, Montcalm County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pine Township, Montcalm County, Michigan, as of and for the year ended June 30, 2004, which collectively comprise Pine Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Pine Township, Montcalm County, Michigan. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pine Township, Montcalm County, Michigan, as of June 30, 2004, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Township of Pine has implemented a new financial reporting model, as required by provisions of GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis- for State and Local Governments*, as of June 30, 2004. However, management has elected not to present the Management's Discussion and Analysis portion of the financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pine Township, Montcalm County, Michigan basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Terry Kirkpatrick, CPA, P.C.

Big Rapids, Michigan
September 8, 2004

BASIC FINANCIAL STATEMENTS

Pine Township – Montcalm County, Michigan

Government Wide Statement of Net Assets

June 30, 2004

	Governmental <u>Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 185,465
Receivables - Other Governmental Units	21,553
Capital Assets (Net)	<u>94,594</u>
Total assets	<u>\$ 301,612</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 94,594
Restricted	18,646
Unrestricted	<u>188,372</u>
Total net assets	<u>\$ 301,612</u>

The "Notes to Financial Statements" are an integral part of these statements.

Pine Township – Montcalm County, Michigan
Government Wide Statement of Activities
For the Year Ended June 30, 2004

	Expenses	Program Revenues	Governmental Activities
		Charges for Services	Net (Expense) Revenue and Changes in Net Assets
		Operating Grants	
PRIMARY GOVERNMENT			
General Government	\$ 87,469	\$ 0	\$ (87,469)
Public Safety	37,123	0	(37,123)
Public Works	58,452	0	(58,452)
Cultural and Recreation	1,564	0	(1,564)
Other Functions	6,838	0	(6,838)
Depreciation (unallocated)	850	0	(850)
Total primary government	\$ 192,296	\$ 0	\$ (192,296)
General Revenues			
Taxes			
Property tax, levied for general operations			80,018
State revenue sharing, unrestricted			116,326
Interest earnings			4,383
Other			14,813
Total general revenues			215,540
Change in Net Assets			
Net assets - Beginning of year			23,244
Net assets - End of year			278,368
			\$ 301,612

The "Notes to Financial Statements" are an integral part of these statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Pine Township – Montcalm County, Michigan
 Governmental Fund Balance Sheet
 June 30, 2004

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 168,579	\$ 16,886	\$ 185,465
Due from Other Funds	657	0	657
Receivable from Other Governments	19,136	1,760	20,896
Total assets	<u>\$ 188,372</u>	<u>\$ 18,646</u>	<u>\$ 207,018</u>
LIABILITIES AND FUND EQUITY			
Fund Balance - Reserved for Cemetery	0	18,646	18,646
Fund Balance - Unreserved and Undesignated	188,372	0	188,372
Total liabilities and fund equity	<u>\$ 188,372</u>	<u>\$ 18,646</u>	<u>\$ 207,018</u>
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets			
Total Governmental Fund Balances		\$	207,018
Amounts reported for governmental activities in the statement of net assets are different because:			
capital assets used in governmental activities are not financial resources, and are not reported in the funds.			
Cost of capital assets, net of depreciation			94,594
Net assets of governmental activities		\$	<u>301,612</u>

The "Notes to Financial Statements" are an integral part of these statements.

Pine Township – Montcalm County, Michigan
 Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balance
 For the Year Ended June 30, 2004

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES			
Property Tax	\$ 80,018	\$ 0	\$ 80,018
Licenses and Permits	3,505	0	3,505
State Grants	116,326	0	116,326
Charges for Services	6,858	0	6,858
Interest and Rents	3,845	538	4,383
Other Revenue	4,050	400	4,450
Total revenues	214,602	938	215,540
EXPENDITURES			
General Government	87,469	0	87,469
Public Safety	37,123	0	37,123
Public Works	58,452	0	58,452
Cultural and Recreation	1,564	0	1,564
Other Functions	6,838	0	6,838
Total expenditures	191,446	0	191,446
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	23,156	938	24,094
OTHER FINANCING SOURCES (USES)			
Transfer from Cemetery Trust	537	0	537
Transfer to General Fund	0	(537)	(537)
Total other financing sources (uses)	537	(537)	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	23,693	401	24,094
Fund Balance - July 1, 2003	164,679	18,245	182,924
Fund Balance - June 30, 2004	\$ 188,372	\$ 18,646	\$ 207,018

The "Notes to Financial Statements" are an integral part of these statements.

Pine Township – Montcalm County, Michigan

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2004

Net Change in Fund Balances - Total Government Funds	\$	24,094
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation

Depreciation expense		<u>(850)</u>
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Change in Net Assets of Governmental Activities	\$	<u><u>23,244</u></u>
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The "Notes to Financial Statements" are an integral part of these statements.

Pine Township – Montcalm County, Michigan

Fiduciary Fund

Statement of Net Assets

June 30, 2004

Agency Fund Type
Property Tax Collection Fund

ASSETS

Cash and Cash Equivalents

\$ 657

LIABILITIES

Due to General Fund

\$ 657

The "Notes to Financial Statements" are an integral part of these statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Pine Township conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Pine Township:

Reporting Entity

The Township is governed by an elected, five-member, Board. The accompanying financial statements present the government and its component units; entities for which the government is considered to be financially accountable. Based on the application of the criteria, the Township does not contain any component units.

Government – Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be “available” if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes – Pine Township’s property tax is levied on each December 1st on the taxable valuation of property located within Pine Township as of the preceding December 31st.

Pine Township – Montcalm County, Michigan

Notes to Financial Statements - Continued

For the Year Ended June 30, 2004

Although the Pine Township 2003 ad valorem tax is levied and collectible on December 1, 2003, it is Pine Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

The 2003 taxable valuation of Pine Township totaled approximately \$38,123,000, on which ad valorem taxes levied consisted of .8232 mills for the Township operating purposes and an additional .9629 mills for fire protection, the excess of which may be used for the general operation of the Township. These amounts are recognized in the General Fund financial statements as Due from Montcalm County and/or as a tax revenue.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted-for in another fund.

Additionally, the Township reports the following fund types:

The Township reports a Fiduciary Fund (Agency Fund). This fund accounts for taxes and special assessments collected by the Township as an agent for other taxing units. Fiduciary Fund net assets and results of operations are not included in the government-wide financial statements. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Township reports a non-major special revenue fund for a cemetery perpetual care fund, which provides care for Township cemeteries.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities and Net Assets or Equity

Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st and are considered delinquent on March 1st of the following year, at which time interest and penalties are assessed.

Capital Assets – Capital assets, which include property, plant and equipment assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Building	50 years
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Pine Township – Montcalm County, Michigan

Notes to Financial Statements - Continued

For the Year Ended June 30, 2004

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental units. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, activity and line items. The legal level of budgetary control adopted by the governing body is the activity level. State law requires the Township have its budget in place by July 1st. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits a township to amend its budgets during the year. There were no significant amendments during the year.

NOTE C – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Township has designated one bank for the deposit of Township Funds. The investment policy adopted by the Township Board in accordance with Public Act 196 of 1997 has authorized investment in bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 185,465

The bank balance of the primary government's deposits is \$193,679.06, of which \$175,790.22 is covered by federal depository insurance.

NOTE D – RECEIVABLES

Receivables as of year-end for the government's individual major and non-major funds are as follows:

	General	Non-Major	Total
County deposits	\$ 0	\$ 1,760	\$ 1,760
State revenue sharing	19,136	0	19,136
Total receivable	<u>\$ 19,136</u>	<u>\$ 1,760</u>	<u>\$ 20,896</u>

Pine Township – Montcalm County, Michigan

Notes to Financial Statements - Continued

For the Year Ended June 30, 2004

NOTE E – CAPITAL ASSETS

Capital asset activity of the governmental activities for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being Depreciated				
Land	\$ 68,901	0	0	\$ 68,901
Capital assets being depreciated				
Buildings	42,481	0	0	42,481
Less Accumulated depreciation for Buildings	(15,938)	(850)	0	(16,788)
Net capital assets	<u>\$ 95,444</u>	<u>\$ (850)</u>	<u>\$ 0</u>	<u>\$ 94,594</u>

Depreciation expense was not charged to activities as the Township considers its assets to impact multiple activities and allocation is not practical.

NOTE F– RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). The Township has purchased workers' compensation insurance for such claims. Settled claims relating to the workers' compensation insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTAL INFORMATION

Pine Township – Montcalm County, Michigan

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
REVENUES				
Property Tax	\$ 79,000	\$ 79,000	\$ 80,018	\$ 1,018
Licenses and Permits	4,380	4,380	3,505	(875)
State Grants	121,991	121,991	116,326	(5,665)
Charges for Services	6,850	6,850	6,858	8
Interest and Rents	5,720	5,720	3,845	(1,875)
Other Revenue	1,500	1,500	4,050	2,550
Transfer from Cemetery Trust	0	0	537	537
Total revenues	219,441	219,441	215,139	(4,302)
EXPENDITURES				
General Government				
Township board	19,100	11,162	8,948	2,214
Supervisor	9,700	9,700	9,703	(3)
Elections	1,625	625	244	381
Assessor	16,950	17,534	17,953	(419)
Clerk	11,200	11,200	12,115	(915)
Board of review	900	1,100	1,139	(39)
Treasurer	21,635	24,025	17,087	6,938
Townhall	5,500	5,500	6,005	(505)
Cemetery	10,000	14,280	14,275	5
Public Safety				
Fire protection	30,100	30,500	30,496	4
Liquor law enforcement	480	480	480	0
Planning and zoning	5,500	6,150	6,147	3
Public Works				
Highways, streets & bridges	76,000	76,000	58,452	17,548
Cultural and Recreation				
Parks and recreation	2,500	2,500	1,564	936
Other Functions				
Retirement	3,000	3,000	1,880	1,120
Social security/ medicare tax	500	665	664	1
Insurance	4,025	4,294	4,294	0
Total expenditures	218,715	218,715	191,446	27,269
Net changes in fund balance	726	726	23,693	22,967
Budgetary Fund Balance - July 1, 2003	164,679	164,679	164,679	0
Budgetary Fund Balance - June 30, 2004	\$ 165,405	\$ 165,405	\$ 188,372	\$ 22,967

OTHER SUPPLEMENTAL INFORMATION

Pine Township – Montcalm County, Michigan

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2004

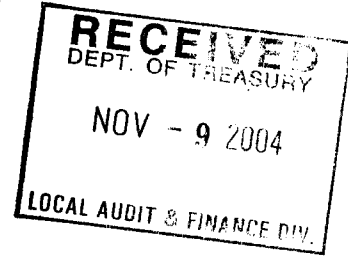
	<u>Cemetery Trust Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 16,886
Due from Montcalm County	<u>1,760</u>
Total assets	<u>\$ 18,646</u>
LIABILITIES AND FUND EQUITY	
Fund Balance	
Reserved	<u>\$ 18,646</u>

Pine Township – Montcalm County, Michigan
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-
Non-Major Governmental Funds
June 30, 2004

	Cemetery Trust Fund
REVENUES	
Interest and Rents	\$ 538
Other Revenue	400
Total revenues	<u>938</u>
EXPENDITURES	
Transfers to General Fund	<u>537</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	401
FUND BALANCE - July 1, 2003	<u>18,245</u>
FUND BALANCE - June 30, 2004	<u><u>\$ 18,646</u></u>

TERRY KIRKPATRICK, CPA, P.C.
CERTIFIED PUBLIC ACCOUNTANT

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FAX (231) 796-5554



September 8, 2004

Members of the Pine Township Board
Montcalm County, MI

We recently completed our audit of the general purpose financial statements of Pine Township for the year ended June 30, 2004. During our audit, we had an opportunity to test internal controls and to observe the accounting and financial procedures and many of the general management practices of the Pine Township. Based upon these tests and observations, there are several matters that we specifically want to call to your attention.

TREASURER'S EXTRA PAY

Two times during this fiscal year the Township Board approved extra pay for the Township Treasurer, which had not been included in the salary resolution prior to the start of the year. Technically, the Township may not change the pay of an elected official after the fiscal year has begun.

The first instance was in the amount of \$ 1,000 for "extra tax work that had been created". This expense was classified as "miscellaneous" rather than "wages". This extra pay should be classified as "wages" and should be included in the Township Form 941 quarterly report as well as included in the Form W-2 of the Treasurer at the end of the year. If this situation arises again, we suggest that the Township attorney or the Michigan Township Association be consulted to determine the legal options the Township may have in providing additional pay. It is our opinion that if the additional work was within the normal responsibilities and duties of the Treasurer, then you may not pay additional to that approved for the year in the salary resolution. Perhaps one solution would be to increase the Treasurer's pay by a one-time increase in the following year.

The second instance was in the amount of \$ 1,500 for summer tax collection pay. This expense was not classified as "wages" either. This extra pay should be classified as "wages" and should also be included in the Township Form 941 quarterly report as well as included in the Form W-2 of the Treasurer at the end of the year. The Township Board should have included an increase in pay for the Treasurer for the summer tax collection in the original salary resolution prior to the start of the year. If the Township was not certain that it would be collecting the summer tax, then the salary resolution should have included an additional amount that would be paid to the Treasurer "if the Township did decide to collect the summer tax".

There was another instance where the Township issued a check to a computer software company owned and operated by the Township Treasurer. There is no problem doing this, but because the amount was in excess of \$ 600, the Township is obligated to issue a Form 1099-MISC to the Treasurer's company at the end of the year.

OTHER MATTERS

We have enjoyed working with your staff. Their competence and assistance were instrumental in our timely completion of the audit.

Two copies of the audit report, the auditing procedures report, and this letter should be mailed to the Michigan Department of Treasury, Local Audit Division. A pre-addressed envelope is being provided for your convenience.

Also the Form F-65 required by the State of Michigan is enclosed for your review and ready to mail to the State of Michigan. A pre-addressed envelope is also provided for your convenience.

If you have any questions regarding this letter or the audit, please do not hesitate to contact us.

Terry Kubit, CPA, P.C.